

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Industrial Promotion – Extension of incentives to M/s Mohan Spintex India Limited, Krishna District for their proposed Spinning Mill (along with Modern Ginning) at Remalle Village Bapulapadu Mandal, Krishna District under Industrial Investment Promotion Policy (IIPP) 2005-2010– Sanction - Orders- Issued.

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### INDUSTRIES & COMMERCE (IP) DEPARTMENT

**G.O.Ms.No. 10**

**Dated: 31-01-2011**

Read the following:

- 1) From the Managing Director, M/s Mohan Spintex India Limited, Krishna District Lr.No.Nil, dt.04.01.2010 and 4.2.2010.
- 2) From the Commissioner of Industries, A.P. Hyderabad Single File.No.15-1-10-0132, dt.27.03.2010.
- 3) Minutes of the State Investment Promotion Committee (SIPC) Meeting held on 17.06.2010.
- 4) Minutes of the State Investment Promotion Board (SIPB) Meeting held on 28.06.2010.
- 5) Govt. Memo. No.4154/IP/2010, dated 21.9.2010
- 6) From the Commissioner of Industries, AP, Hyderabad letter No.15/01/10/0132-1301 ID, dated 5.10.2010

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### **ORDER:-**

In the reference 1<sup>st</sup> read above, the Managing Director, M/s Mohan Spintex India Limited, Krishna District has stated that their company is proposes to set up a spinning mill (along with modern ginning) with an annual capacity of 41,760 spindles with carded counts at Remalle Village Bapulapadu Mandal, Krishna District with an investment of Rs.128.40 crores and the project is likely to create an employment to 600 persons and he has requested the Government to extend incentives under IIPP 2005-10 Policy;

2. In the reference 2<sup>nd</sup> read above, the Commissioner of Industries, A.P. Hyderabad has reported that the line of activity “Spinning” is an eligible activity under IIPP 2005-10 Policy while the activity “Cotton Ginning” is ineligible. However, Government is proposing to consider modern ginning mills for incentives which are set up as per the norms of Technology Mission on Cotton, Ministry of Textiles, Govt. of India. If the company does not set up modern ginning mill, it should be made eligible subject to the condition that (i) the unit should not sell ginned cotton and should be used for captive consumption only (ii) If the company sells any of the ginned cotton it should be less than 10% of the total production in terms of value and requested the Government to take necessary action in the matter;

3. In the reference 3<sup>rd</sup> read above, State Investment Promotion Committee (SIPC) have discussed the proposal of the Commissioner of Industries and recommended to place the matter before the State Investment Promotion Board (SIPB);

4. In the reference 4<sup>th</sup> read above, the State Investment Promotion Board (SIPB) in its meeting held on 28.06.2010 have recommended to extend 50% VAT/CST or SGST reimbursement for a period of 5 years and all other incentives as per the IIPP 2005-10 Policy to M/s Mohan Spintex India Limited, Krishna District;

5. The Government after careful examination of the proposal and recommendations of the State Investment Promotion Board (SIPB), hereby extend the following incentives to M/s Mohan Spintex India Limited, Krishna District for their proposed Spinning Mill (along with Modern Ginning) unit in Remalle Village, Bapulapadu Mandal, Krishna District under Industrial Investment Promotion Policy (IIPP) 2005-2010, namely:-

- (a) 50% VAT/CST or SGST reimbursement for a period of 5 years and the remaining 3 years 25% VAT/CST or SGST reimbursement from the date of commencement of commercial production; and

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(b) Other Incentives as per IIPP 2005-2010 Policy:-

- (1) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
- (2) 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.;
- (3) Power cost will be reimbursed @ Rs.0.75 per unit during the first year of the policy and thereafter for the remaining **seven years** the rate of reimbursement would be so regulated on yearly basis keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level;.
- (4) 50% subsidy on the expenses incurred for quality certification limited to Rs.1.00 Lakh;
- (5) 25% subsidy on cleaner production measures limited to Rs.5.00 Lakhs;
- (6) 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs; and.
- (7) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

6. The Commissioner of Industries, Andhra Pradesh Hyderabad shall take necessary action in the matter accordingly and intimate the status of the progress of work done by the company from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B. SAM BOB**  
**PRINCIPAL SECRETARY TO GOVERNMENT &**  
**COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad  
M/s Mohan Spintex India Limited, Remalle Village, Bapulapadu Mandal, Krishna District  
through the Commissioner of Industries, A.P. Hyderabad.  
The District Collector, Krishna.

Copy to

The Accountant General, Andhra Pradesh, Hyderabad  
The Finance (Exp. I&C) Department. / The Energy Department.  
The Irrigation & CAD (Reforms) Dept. /The Revenue (CT) Department.  
The Revenue (Reg.) Dept./ Ind. & Com. (INF) Dept.  
The Law (J) Dept. /The Commissioner of Commercial Taxes, Hyderabad  
The Chairman & Managing Director, APIIC, Hyderabad / The CMD, APTRANSCO., Hyderabad  
The Managing Director, APCPDC Ltd., Hyderabad /The GM, DIC, Krishna Dist.  
P.S. to Prl. Secy. to CM / P.S. to Minister(Major Industries)  
P.S. to Prl. Secy. to Govt. & CIP, Ind. & Com. Dept.  
P.S. to Secretary(Law) Affairs).

// Forwarded:: By:: Order //

SECTION OFFICER